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No more chuckling over Billy—pros see real peril for Prez

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Washington (News Bureau)—The once-comical Billy Carter foreign agent caper has mushroomed into a major political threat to the presidency of Jimmy Carter—one that has paralyzed his administration, thrust the President and some of his top officials under a cloud of suspicion and weakened his grasp on the Democratic nomination.

This was the consensus of political experts here yesterday after last week's barrage of conflicting statements from the White House and the Justice Department on the Billy case and how it was handled. By week's end, Attorney General Benjamin Civiletti was under investigation by his own department and reportedly under pressure to resign, and the President and Rosalynn Carter had withdrawn to Camp David to prepare for a full-dress Senate investigation into the case that will open on Capitol Hill Tuesday.

To add to the confusion and disarray, the White House, in still another turnabout, said yesterday that it was now be-

The White House mood is one of near-panic, if not despair, over Billy Carter's ties to Libya, a land of oil, money and venom. View, Page 25.

lieved that the "most likely possibility" was that the President himself, asked national security adviser Zbigniew Brzezinski to enlist Billy Carter's help in arranging a meeting with Libyan officials as part of an effort to free the American hostages in Iran last November.

First link was to Zbig

On Tuesday, the White House indicated that it was Brzezinski who initiated the contact with the President's brother in order to set up the meeting with senior Libyan diplomat Ali Houderi last Nov. 27. At that time, Carter spokesman Jody Powell said it was unclear whether the President was even told of the meeting.

Later in the week, it was suggested that Mrs. Carter may have set the wheels in motion by calling Billy from Camp David and suggesting that he use his contacts with the Libyans to enlist their help in seeking the release of the hostages.

By yesterday, however, the White House said it was probably Carter himself

who directed Brzezinski to call Billy and ask him to set up the meeting. In any event, it was also disclosed late in the week that the President himself also met with Houderi in early December.

Although, seemingly trivial, such conflicts could become important in the Senate investigation, during which all contacts involving the administration, Billy Carter and the Libyans will be studied closely. The Senate panel hopes to determine what light, if any, such contacts shed on the events leading up to Billy's recruitment as a foreign agent for Libya. It will also study the Justice Department's role in discovering that the President's brother was, in fact, serving as an unregistered foreign agent in violation of the law, and the department's decision to let Billy register belatedly without facing criminal prosecution.

Discovered by intelligence sources

It was the discovery through intelligence sources late last May that Billy Carter had received \$220,000 from the Libyan government—\$20,000 in January and \$200,000 in April—that provided the government with the necessary proof that he was serving as an unregistered agent for Libya, something the Justice Department had suspected but was apparently unable to prove for 18 months.

In addition to the \$220,000 paid him by the Libyans, Billy also entered into an agreement last August with Charter Oil Co. of Jacksonville, Fla., to provide the company with up to 100,000 barrels of Libyan crude oil per day in exchange for a commission of up to 55 cents per barrel. Although Billy has not yet delivered any oil, he stands to make millions of dollars a year if he does.

The White House disclosed last week that Brzezinski and the President learned of the Charter Oil agreement from intelligence sources in March but conceded that neither Brzezinski nor Carter told the Justice Department about it.

As such information—and corrections of previous erroneous statements—dribbled out of the White House and Justice Department last week, clamor for a Senate investigation into the matter grew and talk of dumping Carter in favor of Sen. Edward Kennedy or a "third alternative" as the Democratic presidential nominee swept across Capitol Hill like a prairie grass fire.

About 30 House Democrats, including some Carter supporters, met Friday to begin a drive to "open up" the nominating convention in New York next month to alternative candidates. The group, which hopes to enlist 100 House Democrats in its ranks, will meet again tomorrow. The most frequently mentioned alternatives are Sen. Henry M. Jackson of Washington State; Rep. Morris K. Udall of Arizona, who is the convention keynote speaker and who was the last candidate to be defeated by Carter in the 1976 primaries; Secretary of State Muskie, and Vice President Mondale.

There was just as much talk of the need for a Carter alternative, but much less action, among the traditionally more cautious senators. The feeling expressed privately by many of the Senate Democrats was that with Carter trailing Republican presidential nominee Ronald Reagan by up to 30% in national polls, the Billy Carter scandal would virtually rule out any hope that Carter could be reelected.

The likelihood is that a significant number of House and Senate Democrats this week will call on Carter and Kennedy to release their delegates to vote for any candidate they choose, thus clearing the way for alternative choices.

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Committee slated for Jackson

While no alternative candidate has yet surfaced, sources close to Jackson said flatly yesterday that a Jackson for President Committee will be announced this week.

With the White House almost totally preoccupied by the uproar over the Billy Carter affair, an administration source told the Daily News that "the federal government, at least at the policy-making level, has just about ground to a halt."

"There is literally nothing happening, no important decisions are being made," the source said. "Everybody's mind seems focused on the Billy thing and what it might do to the President. That's all anybody talks about. It's a mess."